simply declined the virtual collocation arrangement which Ameritech offered. Obviously, the facts are fatal to this allegation.

Parties warning in vague terms of increased chances for cross-subsidy or discrimination<sup>60</sup> have either missed or ignored one critical fact set forth in the Petition.<sup>61</sup> The separate data subsidiary proposed by Ameritech will obtain all local exchange services and network elements on the same prices, terms and conditions under which other carriers can and do purchase them.

ADSL-compatible loops -- which are already available, and have been purchased under tariff from the Ameritech operating companies – will be purchased by Ameritech's data affiliate and unaffiliated carriers on precisely the same basis.<sup>62</sup> Likewise, Ameritech's data affiliate will purchase and use tariffed collocation space on the same rates, terms and conditions on which unaffiliated carriers already use the same space.<sup>63</sup> Discussing the Petitions of Ameritech, US West and Bell Atlantic, Chairman Kennard recently remarked that

"if we can ensure that all comers have a fair opportunity to compete to offer these exciting new services, we have before us the prospect of allowing these services to be offered in a virtually deregulated environment. By this, I mean that these new packet networks, when offered in a competitive environment through an affiliate of the incumbent, could be free of retail regulation and exempt from unbundling and discounted resale requirements." 64

<sup>&</sup>lt;sup>59</sup> 47 C.F.R. § 51.321(e).

<sup>&</sup>lt;sup>60</sup> See, e.g., Comments of ACSI, at 11-12; Comments of ALTS, at 25; Comments of AT&T, at 5, Comments of CIX, at 29; Comments of MCI, at 8; Comments of Sprint, at 6-7.

<sup>&</sup>lt;sup>61</sup> Petition, at 20-21.

<sup>&</sup>lt;sup>62</sup> This fact is confirmed by Covad, which notes that "(I)n Illinois, Ameritech interconnection agreements clearly state that loops certified to support ADSL and ADSL services will be provided to CLECs." Comments of Covad, at 10-11.

<sup>&</sup>lt;sup>63</sup> Ameritech currently provides collocation under tariff to six carriers for purposes of providing ADSL service or connectivity.

<sup>&</sup>lt;sup>64</sup> Kennard Speech (emphasis added).

# V. <u>CONCLUSION</u>

For the reasons set forth above, the Commission should adopt an Order granting the regulatory relief Ameritech has requested, and implementing such other deregulatory measures as the Commission deems appropriate to reach the 1996 Act's policy goal of affording all Americans access to advanced telecommunications capability in a reasonable and timely manner. Although implementation issues remain at the state<sup>65</sup> and federal levels, the Comments make clear that the time is ripe for action by the FCC. Public switched network congestion due to the rapid growth of Internet and data traffic is a reality, not a mere future possibility. Timely action is not only desirable, but also urgently needed.

Respectfully submitted,

Hoose Manek m

Christopher Heimann

Frank Michael Panek

Gary Phillips

Attorneys for Ameritech

Room 4H84

2000 West Ameritech Center Drive Hoffman Estates, IL 60196-1025

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Dated: May 7, 1998

<sup>&</sup>lt;sup>65</sup> Ameritech acknowledges the valid concerns of the Public Service Commission of Wisconsin and the Indiana Regulatory Utility Commission. Dialogue with these parties and with other voices of the role of state regulators (e.g., NARUC) will continue as Ameritech further develops its implementation approach for advanced telecommunications capabilities.

# ATTACHMENT A

# Before the Federal Communications Commission Washington, D.C. 20554

#### AFFIDAVIT OF TIMOTHY E. WATERS

- 1. I, Timothy E. Waters, being first duly sworn, hereby state that the following information is true and correct to the best of my knowledge, information, and belief.
- 2. I am a Vice President of Product Management at Ameritech. My responsibilities include, among other things, High-Speed Access xDSL, ISDN Services, Frame Relay, ATM, SMDS, and Managed Data Services. I lead a team responsible for Ameritech's data products from planning to execution in the marketplace. I joined Ameritech in February of 1997.
- 3. Prior to my employment with Ameritech, I held several positions with Paradyne Corporation, including Vice President of Business Management, Vice President of Network Service Provider Customer Segment, Director of U.S. Channel Marketing, and Product Management Director of Access Products.
- 4. I earned an M.B.A. from Harvard University's Graduate School of Business

  Administration and a B.A. degree in Economics from the College of the Holy

  Cross.
- 5. I have assessed the costs which Ameritech would incur in a regionwide deployment of ADSL technologies, and of the other services for which Ameritech seeks forbearance under Section 706 of the Telecommunications Act of 1996.

- Widespread deployment of these services would constitute a massive financial undertaking.
- 6. If Ameritech were to deploy ADSL in a configuration that makes it available to 90 percent of its consumer base, I estimate that this would require expenditures in excess of \$3 Billion over the next eight years. The costs which Ameritech would incur in such an undertaking include the ADSL enabling infrastructure and supporting transport capacity.
- 7. The demand projections upon which I grounded this estimate were based upon a model created by the McKenna Group on behalf of Ameritech, and were substantiated in quantitative market research conducted by the Marc Group on behalf of Ameritech. These demand forecasts are also in line with those of industry experts such as Jupiter, IDC and others.
- 8. If Ameritech were to deploy other advanced telecommunications services, such as those for which regulatory relief is sought in its Petition, Ameritech would incur costs exceeding \$1Billion over a three-year period.
- 9. If granted the requested relief, Ameritech would be able to concentrate all its data traffic into one or two strategic nodes like its competitors -- the IXCs -- do today, rather than arbitrarily separating and handling the traffic by LATA. Among other things, Ameritech would be able to more efficiently use the inherent economies of scale associated with SONET rings and the architectures which they make possible.
- 10. Ameritech would also be able to provide interLATA transport using its own network, rather than contracting with a third party for that capability. This would give Ameritech the ability to more effectively manage and control its facilities on an

end-to-end basis, providing customers with better service through a single point of contact for all components of their service.

Subscribed by me and sworn to this $\frac{5^{12}}{10^{12}}$ day of May, 1998.	
Timothy E. Waters	
Cook County, Illinois	
*********	**************************************
SWORN TO AND SUBSCRIBED IN M	Y PRESENCE this day of May, 1998.
Linda L. Bezec, Notary Public	Name and Address of the Park

Cook County, Illinois

# ATTACHMENT B

# **Statement of James Prieger**

As the author of the Ameritech Study<sup>1</sup> (hereafter the "Study") on the effects of regulation on innovation, I will respond here to the comments that were submitted concerning it. The Study looks at detrimental effects that regulation has on the creation and introduction of new telecommunications services. Using data from three different spheres of regulated telecommunications activity (enhanced, access, and local exchange services), I find in each case that stricter regulation hinders the innovative process.

Three parties<sup>2</sup> commented on the Study. Two themes underlie the comments: that the Study ignores the positive impact of the CEI regime, and that the Study does not include services offered by competitors to the RBOCs. These quibbles stem from a misunderstanding of the purpose and scope of the Study.

Consider first the purported benefits offered by the CEI regime. The Competition Policy
Institute (CPI) wonders whether the opportunity to interconnect with Ameritech's network may have stimulated new services by other companies. The Commercial Internet Exchange
Association (CIX) echoes CPI's question. CPI and CIX offer neither evidence nor anecdote in support of their speculation. One study on the CEI regime noted that few requests for interconnection were ever made by competitors.<sup>3</sup> The purpose of the Study is limited to examining the dynamic costs of regulation on innovation by the RBOC's, and leaves the purported benefits to be proven by others. By design, the Study looks at the one side of the cost-

<sup>&</sup>lt;sup>1</sup> Included as Attachment B to the Ameritech Petition. James Prieger, "The Effects of Regulation on the Innovation and Introduction of New Telecommunications Services," March 2, 1998.

<sup>&</sup>lt;sup>2</sup> Commercial Internet Exchange Association, at 12-13; Competition Policy Institute, at 8; COVAD, at 6.

<sup>&</sup>lt;sup>3</sup> I. Vogelsang and B. Mitchell, *Telecommunications Competition: the Last Ten Miles* (Cambridge: MIT Press, 1997), chapter 6.

benefit analysis. I do not claim that there are no benefits from regulation; I merely focus on the measurable harm done by it. CIX and CPI do not supply any proof whatsoever that any such benefits exist, or that the alleged benefits of the CEI requirements outweigh the documented harm. The FCC itself states in the CIII NPRM that it "believe[s] the significant burden imposed by these [CEI] requirements on the BOCs and the Commission outweighs their possible incremental benefit as additional safeguards against access discrimination" and notes that competitors showed little interest in the CEI plans filed in recent years.<sup>4</sup>

The other major complaint against the Study is that it ignores competitors. Covad fears that two missing "control variables" -- number of competitive providers and number of services offered by those providers -- may explain away the increase in innovation during the time period of the Study. First, remember that the main findings of the Study are robust across all three data sets, which are taken from very different competitive scenarios. Second, note that the CEI data used in the Study are not of a simple "before and after" nature. The data come from three time periods: an initial CEI regime, an interim during which the CEI regime was suspended, and a final period in which the CEI regime was reinstated. Since competition and competitive services have grown throughout the years, if they were the driving forces behind RBOC innovation, then such innovation would have been highest during the final, most recent CEI regime. In fact the Study shows that innovation sped up during the earlier interim and *slowed down again* during the final CEI regime. There is no reason that the initial regime should be comparable to the latter regime if competition is the cause of innovation, since competition increased during that time. Yet, the analysis showed the regimes *are* comparable. Although competition increased during those years, it does not show up in the data as affecting new service creation. Third, an earlier

<sup>&</sup>lt;sup>4</sup> FCC. FNPRM, Computer III Further Remand Proceedings: Bell Operating Company Provision of Enhanced Services (CC Dkt No. 95-20), January 29, 1998, at 64.

version of the Study included a time trend to proxy just such unobserved influences such as competition. The time trend was not statistically significant, and was dropped from the Study for that reason.<sup>5</sup> Again, if competition were a driving force behind innovation, a proxy such as a time trend would *not* be insignificant.

CIX is also concerned that competitors may have previously invented the services introduced by RBOCs. Even if this were true, the argument of the Study would not change much; CIX can substitute the word "diffusion" for "innovation" if it likes. In either case consumers are being presented with more options and are better off. However, the enhanced services introduced by RBOCs are not necessarily identical to those previously offered by competitors. It is very likely even if some competitor had previously offered a related service that the RBOC offering was highly differentiated. In fact, one of the reasons the CEI regime was instituted was because enhanced services are unique, and thus, "services which depend on the electronic movement of information can be custom-tailored to individual subscriber needs."

CIX further questions whether consumers lost any surplus at all because RBOC services were prevented and delayed, assuming that competitors filled in any service gaps. As argued above, it is likely that the CEI services were truly new and differentiated from competitor's offerings.

Thus consumers saw an actual loss of surplus compared to what they would have enjoyed for the more numerous and timelier introduction of enhanced services by the RBOCs. Also, consider

<sup>&</sup>lt;sup>5</sup> Adding a linear time trend to the specification described in Appendix 3.A in the Study resulted in a coefficient of 0.0408 with standard error 0.0358, and a p-value of 0.255, not statistically significantly different than zero at any reasonable confidence level. Similar results were obtained with an exponential time trend. Neither specification significantly changed the estimated coefficients of the other variables. <sup>6</sup> FCC, Final Decision, Second Computer Inquiry, CC Docket No. 20828, May 2, 1980 (77 FCC 2d 384) at 429.

that where the Study provides estimates of the gross benefits to consumers from relaxed regulation, these are *underestimates* to begin with, as explained therein.

Commenters voice a few other concerns about the Study. Covad worries that services counted as new in the Study reflect price discrimination by the RBOCs. As explained in the Study, only truly new services were included in the analysis. If an offering was merely a new pricing plan for an existing service (what Covad refers to as price discrimination), it does not appear in the Study.

Finally, CIX alleges that RBOCs were not really ready to offer services to subscribers on the date of CEI plan filing, and thus the measured "delays" are spurious. First, recognize that this argument does not touch the main trust of the CEI Study, which is that fewer services were introduced at all. Second, note that the CEI plan filing rules require that any necessary state or federal tariffs and waivers must be in place before the CEI plan is filed. In these tariff filings, the RBOC confirms that the tariffed services exist and are ready to be offered to subscribers immediately upon approval. Third, consider that the average delay time for plan approvals was nine months, and that some delays stretched to almost two years; the windows of opportunity in the quickly changing information technology marketplace are surely briefer than that. A company that conceived of a promising new service but didn't plan to actually introduce it for another year would not be in business for long; thus, CIX's assertion is not convincing in any way.

<sup>7</sup> Ameritech Study, pp. 16-17, 23-24.

<sup>&</sup>lt;sup>8</sup> Ameritech Study, p. 12.

<sup>&</sup>lt;sup>9</sup> Ameritech Study, p. 8.

In summary, commenters have raised no substantive objections to the Ameritech Study and have offered no competing evidence or studies of their own. As CPI itself notes, "the general point [of the Ameritech Study] that regulation affects business judgments of companies is generally understood." The great value of the Study is that for the first time the effects of regulation on innovation have been quantified. The costs of regulation have been clearly shown, and no benefits have yet been proven or measured.

 $^{\rm 10}$  Competition Policy Institute Comments, at 8.

# ATTACHMENT C

ILLINOIS BELL
TELEPHONE COMPANY

# Ameritech

PART 23

C.C. NO. 20 SECTION 4

Tariff

PART 23 - Interconnection Service for Local
Exchange Telecommunications Carriers
SECTION 4 - Collocation Services

1st Revised Sheet No. 6

1. AMERITECH PHYSICAL COLLOCATION SERVICE (APCS) (cont'd)

(N)

#### C. TERMS AND CONDITIONS (cont'd)

## 6. Space Reservation

A Carrier may reserve additional central office floor space in a Company Central Office premises in which it has, or is ordering APCS for permitted telecommunications equipment. Space for physical collocation may be reserved on the following basis:

- a. A Carrier may reserve additional space in a company premises in which it has, or is ordering APCS for permitted telecommunications equipment.
- b. The Carrier must pay the Reservation Charge (a nonrecurring charge) to place a reservation as set forth below.
- c. A Carrier can reserve no more than the amount of physical collocation space it currently utilizes (or has ordered) for telecommunications purposes in the particular Company Central Office premises.
- d. The priority of the reservation is established on a first-come, first-served basis determined by the time the Company receives the
- e. The reservation will be maintained until the Carrier either:
  - terminates its APCS service
  - cancels its order for additional Central Office Floor Space
  - relinquishes its reservation by opting to not enforce their reservation.
- f. When an order for physical collocation is received and all the unoccupied space is covered by reservations, all reservations will be prioritized. The carrier with the lowest priority reservation for which unoccupied space remains available after subtracting the space covered by reservations of higher priority reservations (the option party), will be given the option of enforcing their reservation by paying the Central Office Floor Space monthly recurring rate or relinquishing their reservation. The option party's reservation will be maintained as described in e) above.

(N)

Pursuant to Second Interim Order in Ill. C.C. Docket Nos. 96-0486/0569 Consolidated, dated February 17, 1998.

Issued: April 3, 1998

Effective: April 18, 1998

ILLINOIS BELL TELEPHONE COMPANY

# Ameritech

C.C. NO. 20 ILL. PART 23

SECTION 4

PART 23 - Interconnection Service for Local Exchange Telecommunications Carriers SECTION 4 - Collocation Services

1st Revised Sheet No. 7

1. AMERITECH PHYSICAL COLLOCATION SERVICE (APCS) (cont'd)

(N)

#### TERMS AND CONDITIONS (cont'd)

- 6. Space Reservation (cont'd)
  - g. If the Carrier with the lowest priority enforces its reservation, then the carrier(s) with next higher priority reservation, for which unoccupied space remains available after subtracting the space covered by reservations of the remaining higher priority reservations, will be given the option of enforcing or relinquishing its reservation. As long as all Carriers with reservations for the available unoccupied floor space continue to enforce their reservations by paying the Central Office Floor Space rate, no space will be available for new orders for APCS.
  - h. A Carrier that relinquishes its reservation by declining to enforce its reservation, may place a new reservation, but the reservation receives a new priority based on the time of reservation.
  - i. The holder of a valid reservation may place an order for APCS for the floor space reserved at any time. If there is sufficient unoccupied space available to accommodate the Carrier's APCS order after subtracting the space reserved by higher priority reservations, the order will be processed. If sufficient space to accommodate the order is not available after subtracting the space reserved by higher priority reservations, the order will be treated the same as a new order under e) above.

(N)

Pursuant to Second Interim Order in Ill. C.C. Docket Nos. 96-0486/0569 Consolidated, dated February 17, 1998.

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ILLINOIS BELL
TELEPHONE COMPANY

# Ameritech

PART 23

C.C. NO. 20 SECTION 4

Tariff

PART 23 - Interconnection Service for Local Exchange Telecommunications Carriers SECTION 4 - Collocation Services

1st Revised Sheet No. 8

1. AMERITECH PHYSICAL COLLOCATION SERVICE (APCS) (cont'd)

(N)

#### C. TERMS AND CONDITIONS (cont'd)

#### 6. Space Reservation (cont'd)

- j. Ameritech Illinois may reserve APCS Central Office Floor Space under the following conditions:
  - The Company's space reservation priority will be determined in the same manner as the space reservation priority for Carriers.
  - The Company may reserve at least the amount of space reasonably necessary for the provision of a communications-related service, including interconnection and the provision of unbundled network elements.
  - The Company's reserved space must reasonably be anticipated to be used in 3 years, except for space reserved for switch conversion (including tandem switches and STPs) and growth and for augmentation and conversion of mechanical and electrical support systems and building infrastructure.
  - The Company's total space reservation cannot exceed the Central Office Floor Space currently used by the Company.
  - The Company will impute the Reservation Charge to the appropriate Company operations department for which the space is reserved.
  - The Company may enforce its reservation in the same manner in which collocating Carrier enforces its reservation. The Company will impute the Central Office Floor Space rate to the Company operations department for which the space is reserved.

(N)

Pursuant to Second Interim Order in Ill. C.C. Docket Nos. 96-0486/0569 Consolidated, dated February 17, 1998.

Issued: April 3, 1998

Effective: April 18, 1998

#### 16. Ameritech Interconnection Services (Cont'd)

#### 16.1 Ameritech Central Office Interconnection (Cont'd)

## 16.1.2 Rules and Regulations (Cont'd)

A) ACOI will be provided subject to the following provisions: (Cont'd)

## (1) (Cont'd)

Customers may cancel orders for ACOI, subject to cancellation charges as described in Section 2.4.3 preceding.

#### (2) Space Reservation

A Customer may reserve additional central office floor space in a Company Central Office premises for physical collocation on the following basis:

- (a) The Customer may reserve additional space in a company premises in which it has or is ordering ACOI for permitted telecommunications equipment.
- **(b)** The Customer must pay the Space Reservation Charge (a nonrecurring charge) to place a reservation as set forth below.
- (c) The Customer can reserve an amount of physical collocation no more than the amount of physical collocation space it currently utilizes (or has ordered) for telecommunications purposes in the particular Company Central Office premises.
- (d) The priority of the reservation is established on a first-come, first-served basis as determined by the time the Company receives the Customer's space reservation request form. Reservations will be date stamped upon receipt.
- (e) The reservation will be maintained until the Customer either:
  - · terminates its ACOI service; or
  - cancels its order for additional Central Office Floor Space; or
  - relinquishes its reservation by opting to not enforce its reservation.

(N)

(N)

Certain material on this page now appears on Page 596.3.

#### 16. Ameritech Interconnection Services (Cont'd)

#### 16.1 Ameritech Central Office Interconnection (Cont'd)

#### 16.1.2 Rules and Regulations (Cont'd)

A) ACOI will be provided subject to the following provisions: (Cont'd)

## (2) Space Reservation (Cont'd)

- (f) When an order for physical collocation is received and all the unoccupied space is covered by reservations, all reservations will be prioritized. The customer with the lowest priority reservation for which unoccupied space remains available after subtracting the space covered by reservations of higher priority reservations (the option party), will be given the option of enforcing their reservation by paying the Central Office Floor Space monthly recurring rate or relinquishing its reservation. The option party's reservation will be maintained as described in (e) above.
- (g) If the Customer with the lowest priority enforces its reservation, then the customer(s) with next higher priority reservation, for which unoccupied space remains available after subtracting the space covered by reservations of the remaining higher priority reservations, will be given the option of enforcing or relinquishing its reservation. As long as all Customers with reservations for the available unoccupied floor space continue to enforce their reservations by paying the Central Office Floor Space rate, no space will be available for new orders for ACOI.
- (h) The Customer that relinquishes its reservation by declining to enforce its reservation, may place a new reservation, but the reservation receives a new priority based on the time the new reservation is received in writing.
- (i) The holder of a valid reservation may place an order for ACOI for the floor space reserved at any time. If there is sufficient unoccupied space available to accommodate the Customer's ACOI order after subtracting the space reserved by higher priority reservations, the order will be processed. If sufficient space to accommodate the order is not available after subtracting the space reserved by higher priority reservations, the order will be treated the same as a new order under (e) above.

(N)

(N)

Certain material on this page now appears on Page 596.4.

#### 16. Ameritech Interconnection Services (Cont'd)

## 16.1 Ameritech Central Office Interconnection (Cont'd)

#### 16.1.2 Rules and Regulations (Cont'd)

A) ACOI will be provided subject to the following provisions: (Cont'd)

## (2) Space Reservation (Cont'd)

(N)

- (j) The Telephone Company may reserve ACOI Central Office Floor Space under the following conditions:
  - The Company's space reservation priority will be determined in the same manner as the space reservation priority for Customers. As Customers, the Company must submit a space reservation request form to place an order to reserve space. This reservation request is date stamped and processed in the same manner as Customers' space reservation requests.
  - The Company may reserve at least the amount of space reasonably necessary for the provision of a communications-related service, including interconnection and the provision of unbundled network elements.
  - The Company's reserved space must reasonably be anticipated to be used in 3 years, except for space reserved for switch conversion (including tandem switches and STPs) and growth and for augmentation and conversion of mechanical and electrical support systems and building infrastructure.
  - The Company's total space reservation cannot exceed the Central Office Floor Space currently used by the Company.
  - The Company will impute the Space Reservation Charge to the appropriate Company operations department for which the space is reserved.
  - The Company may enforce its reservation in the same manner in which the collocating Customer enforces its reservation. The Company will impute the Central Office Floor Space rate to the Company operations department for which the space is reserved.

(N)

- 16. Ameritech Interconnection Services (Cont'd)
  - 16.1 Ameritech Central Office Interconnection (Cont'd)
    - 16.1.2 Rules and Regulations (Cont'd)
      - A) ACOI will be provided subject to the following provisions: (Cont'd)
        - (3) The Telephone Company will provide ACOI connections to the following, Switched Access and/or Special Access services (described in Sections 6 and 7, preceding):

## (A) Switched Transport Connections:

Voice Grade Direct Transport or Entrance Facilities or LT-1 (1.544 Mbps) Direct Transport or Entrance Facilities or LT-3 (44.736 Mbps) Direct Transport or Entrance Facilities, for use with Switched Access Feature Groups (A, B, C or D)

- (B) Special Access Connections:
  - Telegraph (0 to 75 baud or 0 to 150 baud)
  - Direct Analog (300 3,000 Hz)
  - Ameritech Base Rate (2.4, 4.8, 9.6, 19.2, 56.0 and 64.0 Kbps)
  - Ameritech DS3 (44.736 Mbps)
  - Ameritech DS1 (1.544 Mbps)
  - Ameritech OC-3 (155.52 Mbps)
  - Ameritech OC-12 (622.08 Mbps)
  - Ameritech OC-48 (2488.32 Mbps)

(M)

(T)(M)

Material on this page previously appeared on 1st revised Page 596.

- 16. Ameritech Interconnection Services (Cont'd)
  - 16.1 Ameritech Central Office Interconnection (Cont'd)
    - 16.1.2 Rules and Regulations (Cont'd)
      - A) ACOI will be provided subject to the following provisions: (Cont'd)
        - (4) A customer may establish a Transmission Node at each Telephone Company Central Office where ACOI is available to which the customer constructs fiber optic interconnection cable(s). The Transmission Node may be established subject to the following provisions:
          - (a) The minimum size of a Transmission Node may be a nominal 100 square feet per Central Office in a configuration determined by the Telephone Company representative or designated Agent(s). Additional space will be ordered on an as needed basis where space is available. A customer with a Transmission Node in a Telephone Company Central Office may request a maximum of 200 square feet of space, in nominal 100 square foot increments in the same Central Office.

Material on this page previously appeared on 1st revised Page 596.1.

Issued: April 18, 1997

Effective: April 19, 1997

(T)(M)

(M)

#### 16. Ameritech Interconnection Services (Cont'd)

#### 16.1 Ameritech Central Office Interconnection (Cont'd)

## 16.1.2 Rules and Regulations (Cont'd)

A ACOI will be provided subject to the following provisions: (Cont'd)

(4) (Cont'd)

(T)

(C)

#### (a) (Cont'd)

For customers requesting space beyond 200 sq. ft, the Telephone Company will make every effort to provide additional available space dependent upon other outstanding requests for space. Each order for Central Office Space will be treated as a new order which requires a separate application. Additional Central Office Space cannot be reserved. The Telephone Company will attempt to meet customer requests for the future use of contiguous space, but the availability of such contiguous space cannot be guaranteed.

The Telephone Company reserves the right to determine the configuration of Central Office Space available for ACOI.

In the event that less than 100 square feet of space remain in an office where all available 100 square feet increments of Central Office space have been utilized, the Telephone Company will upon request develop rates and charges for this space and file such charges in Section 16.5. following.

Requests for configurations of less than 100 square feet will be accepted upon receipt of a bona fide request. The Telephone Company will develop rates and charges for these requests for space less than 100 square feet and file such charges in Section 16.5 following.

The customer must begin use of the Central Office Space for interconnection to the Telephone Company's Switched or Special Access services via Ameritech Cross-Connect Service for Interconnection (ACCSI) within one hundred eighty (180) days of notice from the Telephone Company that the Central Office Space is ready for the customer's use and occupancy.

Thereafter, the customer must continue to utilize the Central Office Space for interconnecting to the Telephone Company's Switched or Special Access services via ACCSI. The customer must comply with all conditions of the Switched or Special Access services to which they interconnect.

# **CERTIFICATE OF SERVICE**

I, Edith Smith, do hereby certify that a copy of Ameritech's Reply Comments has been served on the parties listed on the attached service list, via first class mail, postage prepaid, on this 7<sup>th</sup> day of May, 1998.

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